

## **AUTHORIZATION FOR GRANT AGREEMENT**

### **Recommendation**

The Administration recommends that the Board of Governors authorize the grant agreement between the State of Michigan Department of Labor and Economic Opportunity and Wayne State University for the receipt of a grant totaling \$100,000,000 in capital funding from the State of Michigan included in Public Act 166 of 2022 for a facility dedicated to medical education, cancer research, and community health.

### **Background and Project Description**

When paired with bond funds, if approved under Agenda item C, funds received from the state will be used to establish a new health sciences and research facility. The facility will support the academic, research, and community engagement vision of Wayne State University in partnership with the Barbara Ann Karmanos Cancer Institute. The new facility will house flexible teaching environments supportive of interdisciplinary learning and technology infrastructure to meet diverse academic needs as well as lab facilities and collaborative spaces to support both academic and research functions. Given the university's commitment to community engagement, the space will also support community outreach and population-based health initiatives.

GRANT NO. WSU-KCI

**GRANT BETWEEN  
THE STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
AND  
WAYNE STATE UNIVERSITY**

GRANTEE/ADDRESS:

David P. Massaron  
Wayne State University  
5700 Cass Avenue, Suite 4900  
Detroit, Michigan 48202  
Office: 313-577-6633  
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GRANT ADMINISTRATOR/ADDRESS:

Jim Wilson  
Department of Labor and Economic Opportunity  
2501 Woodlake Circle  
Okemos, MI 48864  
wilsonj4@michigan.

GRANT PERIOD:

From October 1, 2022, to September 30, 2024

TOTAL AUTHORIZED BUDGET: \$

Federal Contribution: \$  
State Contribution: \$ 100,000,000.00  
Local Contribution: \$  
Other Contributions: \$

SIGMA Vendor I.D.: CV0048715  
SIGMA Payment Address Code: 144

ACCOUNTING DETAIL: Accounting Template No.: 186CIPPROJECT

## **GRANT**

This is Grant # WSU-KCI between the Department of Labor and Economic Opportunity (Grantor) and Wayne State University (Grantee), subject to the terms and conditions of this grant agreement (Agreement).

### **1.0 Statement of Purpose**

The purpose of this Agreement is to provide funding to the Grantee to design and build a facility dedicated to medical education, cancer research, and community health in the City of Detroit ("Project") (the Project, together with the Grantee's duties described in Section 1.1, are collectively referred to as the "Grant Activities"). The Grantee agrees to undertake and perform the Grant Activities.

### **1.1 Statement of Work**

The Grantee agrees to undertake, perform, and complete the following project:

Design and construction, including the potential construction of a new building or the construction of a new a building along with renovation of an existing building, of new health sciences and cancer research facility located in Midtown Detroit. The facility is anticipated to exceed 250,000 gross square feet and will support the academic, research, and community engagement vision of Wayne State University and the Barbara Ann Karmanos Cancer Institute ("KCI"). The affiliation agreement between KCI and Wayne State University is attached as Attachment D. Housed within the new facility will be flexible teaching environments supportive of interdisciplinary learning and technology infrastructure to meet diverse academic needs. The facility will also include a mixture of wet and dry lab facilities, and collaborative spaces will be strategically located throughout the building to support both academic and research functions. Community engagement is key to the mission of both Grantee and Karmanos Cancer Institute; therefore, space to support outreach and population-based health initiatives will be central to the facility, as well.

These services are more specifically described in the Grant Activities, Attachment A.

### **1.2 Detailed Budget**

- A. This Agreement does not commit the State of Michigan (State) or the Department of Labor and Economic Opportunity (LEO) to approve requests for additional funds at any time.
- B. If applicable, travel expenses will not be reimbursed at rates greater than the State Travel Rates, Attachment C, without the prior written consent of the Grant Administrator.

- C. Attachment B is the Budget. The Grantee agrees that all funds shown in the Budget are to be spent as detailed in the Budget.
- D. Changes in the Budget of less than 5% of the total line item amount do not require prior written approval, but Grantee must provide notice to the Grant Administrator.

Changes in the Budget equal to or greater than 5% of the total line item amount will be allowed only upon prior review and written approval by the Grant Administrator. A formal grant amendment must be signed by both the Grantor and Grantee.

### **1.3 Payment Schedule**

The Grantor agrees to pay the Grantee a sum not to exceed \$100,000,000.00 (the "Grant"). An initial payment of \$50,000,000.00 shall be made as soon as practicable to the Grantee after full execution of the grant agreement by the parties. The remaining grant funds (\$50,000,000.00) shall be disbursed once the Grantee demonstrates that all of the following have been met:

- A. Final design and engineering report is submitted to the grantor;
- B. Proof environmental Review Work has been completed; and
- C. Proof of permitting approval to begin construction on the facility.

Public Act 279 of 1984 states that the state shall take all steps necessary to assure that payment for goods or services is mailed within 45 days after receipt of the goods or services, a complete invoice for goods or services, or a complete contract for goods or services, whichever is later.

### **1.4 Monitoring and Reporting Program Performance**

- A. Monitoring. The Grantee shall monitor performance to assure that time schedules are being met and projected work by time period is being accomplished.
- B. Reports. The Grantee shall submit to the Grant Administrator, upon request as outlined in Public Act 166 of 2022, Section 1094n, performance reports that briefly present the following information:
  - 1. Percent of completion of the project objectives. This should include a brief outline of the work accomplished during the reporting period and the work to be completed during the subsequent reporting period.

2. Brief description of problems or delays, real or anticipated, which should be brought to the attention of the Grant Administrator.
3. Statement concerning any significant deviation from previously agreed-upon Statement of Work.

## PART II - GENERAL PROVISIONS

### **2.1 Project Changes**

Grantee must obtain prior written approval for project changes from the Grant Administrator. **See Section 1.2, Detailed Budget.**

### **2.2 Delegation**

Grantee may not delegate any of its obligations under the Grant without the prior written approval of the State. Grantee must notify the State at least 30 business days before the proposed delegation, provide a statement ensuring that no conflicts of interest or ethical concerns exist (as described in Section 3.3), and provide the State any information it requests to determine whether the delegation is in its best interest. If approved, Grantee must: (a) be the sole point of contact regarding all contractual project matters, including payment and charges for all Grant Activities; (b) make all payments to the subgrantee; and (c) incorporate the terms and conditions contained in this Grant in any subgrant with a subgrantee. Grantee remains responsible for the completion of the Grant Activities, compliance with the terms of this Grant, and the acts and omissions of the subgrantee. The State, in its sole discretion, may require the replacement of any subgrantee.

### **2.3 Project Income**

To the extent that it can be determined that interest was earned on advances of funds, such interest shall remain with the Grantee so long as interest earned is added to the project budget and used to further eligible program objectives. The final determination shall be made by the Grant Administrator.

### **2.5 Order of Spending**

Grantee may expend state funds prior to private or local funds or federal funds. Grantee is responsible for securing any required matching funds from sources other than the State.

### **2.6 Purchase of Equipment**

The purchase of equipment not specifically listed in the Budget, Attachment B, must have prior written approval from the Grant Administrator. Equipment is defined as non-expendable personal property having a useful life of more than one year. Such equipment shall be retained by the Grantee unless otherwise specified at the time of approval.

## **2.7 Accounting**

The Grantee shall adhere to the Generally Accepted Accounting Principles and shall maintain records that will allow, at a minimum, for the comparison of actual outlays with budgeted amounts. The Grantee's overall financial management system must ensure effective control over, and accountability for all funds received. Accounting records must be supported by source documentation including, but not limited to, balance sheets, general ledgers, timesheets and invoices. The expenditure of state funds shall be reported by line item and compared to the Budget.

## **2.8 Records Maintenance, Inspection, Examination, and Audit**

The Grantor or its designee may audit the Grantee to verify compliance with this Grant. The Grantee must retain and provide to Grantor or its designee upon request, all financial and accounting records related to the Grant through the term of the Grant and for 7 years after the latter of termination, expiration, or final payment under this Grant or any extension ("Audit Period"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Grantee must retain the records until all issues are resolved.

Within 10 business days of providing notice, the Grantor and its authorized representatives or designees have the right to enter and inspect Grantee's premises or any other places where Grant Activities are being performed and examine, copy, and audit all records related to this Grant. The Grantee must cooperate and provide reasonable assistance. If any financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of the Grant must be paid or refunded within 45 business days.

This Section applies to Grantee, any parent, affiliate, or subsidiary organization of Grantee, and any subgrantee that performs Grant Activities in connection with this Grant.

If the Grantee is a governmental or non-profit organization and expends the minimum level specified in OMB Uniform Guidance (\$750,000 as of December 26, 2013) or more in total federal funds in its fiscal year, then Grantee is required to submit an Audit Report to the Federal Audit Clearinghouse (FAC) as required in 200.36.

## **2.9 Liability**

The Grantor is not liable for any costs incurred by the Grantee before the start date or after the end date of this Agreement. Liability of the Grantor is limited to the terms and conditions of this Agreement and the grant amount.

### **3.0 Safety**

The Grantee and all subgrantees are responsible for ensuring that all precautions are exercised at all times for the protection of persons and property. Safety provisions of all Applicable Laws and building and construction codes shall be observed. The Grantee and every subgrantee are responsible for compliance with all federal, state, and local laws and regulations in any manner affecting the work or performance of this Agreement and shall at all times carefully observe and comply with all rules, ordinances, and regulations. The Grantee and all subgrantees shall secure all necessary certificates and permits from municipal or other public authorities as may be required in connection with the performance of this Agreement.

### **3.1 General Indemnification**

Inasmuch as each party to this grant is a governmental entity of the State of Michigan, each party to this grant must seek its own legal representation and bear its own costs; including judgments, in any litigation which may arise from the performance of this grant. It is specifically understood and agreed that neither party will indemnify the other party in such litigation.

### **3.2 Termination**

#### **A. Termination for Cause**

The Grantor may terminate this Grant for cause, in whole or in part, if Grantee, as determined by the Grantor: (a) endangers the value, integrity, or security of any location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) engages in any conduct that may expose the Grantor to liability; (d) breaches any of its material duties or obligations; or (e) fails to cure a breach within the time stated in a notice of the breach. Any reference to specific breaches being material breaches within this Grant will not be construed to mean that other breaches are not material.

If the Grantor terminates this Grant under this Section, the Grantor will issue a termination notice specifying whether Grantee must: (a) cease performance immediately or (b) continue to perform for a specified period. If it is later determined that the Grantee was not in breach of the Grant, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in Subsection B, Termination for Convenience.

The Grantor will only pay for amounts due to the Grantee for Grant Activities accepted by the State on or before the date of termination, subject to the Grantor's right to set off any amounts owed by the Grantee for the State's reasonable costs in terminating this Grant. The Grantee must pay all reasonable costs incurred by the Grantor in terminating this Grant for cause, including administrative costs, attorneys' fees, court costs, transition costs, and any costs the State incurs to procure the Grant Activities from other sources.

B. Termination for Convenience

The Grantor may immediately terminate this Grant in whole or in part without penalty and for any reason, including but not limited to appropriation or budget shortfalls. If the State terminates this Grant for convenience, the State will pay all reasonable costs, as determined by the Grantor, for Grantor approved Grant Responsibilities.

### **3.3 Conflicts and Ethics**

The Grantee will uphold high ethical standards and is prohibited from (a) holding or acquiring an interest that would conflict with this Grant; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Grant; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Grantee, any consideration contingent upon the award of the Grant. The Grantee must immediately notify the State of any violation or potential violation of these standards. This Section applies to Grantee, any parent, affiliate, or subsidiary organization of Grantee, and any subgrantee that performs Grant Activities in connection with this Grant.

### **3.4 Non-Discrimination**

Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., Grantee and its subgrantees agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, partisan considerations, or a disability or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of this Grant.

### **3.5 Unfair Labor Practices**

Under MCL 423.324, the Grantor may void any Grant with a Grantee or subgrantee who appears on the Unfair Labor Practice register compiled under MCL 423.322.

### **3.6 Labor Standards**

Grantee recognizes that the Grantor strongly encourages grantee to adhere to strong labor standards, and to the extent practicable, grantee will implement strategies for a project labor agreement (PLAs) and community benefits agreement that offer wages at or above the prevailing rate and include local hire provisions; prioritize procurement decisions with employers who can demonstrate that the employer's workforce meets high safety and training standards; hire local workers or workers from historically underserved communities; prioritize contractors and subcontractors without recent violations of federal and state labor and employment laws.

Grantor encourages Grantee to ensure any contractors or subcontractors are providing bona fide US Department of Labor approved apprenticeship training opportunities to the extent allowable in applicable collective bargaining agreements and registered apprenticeship standards.

Grantor encourages grantees to require that apprentices will perform up to 50% of the total craft work hours if permissible for the type of work being performed and in accordance with apprenticeship standards and collective bargaining agreements. All apprentices must be properly supervised. Grantee, to the extent practicable, ensures that any contractors or subcontractors performing construction activities have and maintain a registered apprenticeship program.

### **3.7 Force Majeure**

Neither party will be in breach of this Grant because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Grantee will not be relieved of a breach or delay caused by its subgrantees. If immediate performance is necessary to ensure public health and safety, the State may immediately Grant with a third party.

### **3.8 Website Incorporation**

The State is not bound by any content on the Grantee's website unless expressly incorporated directly into this Grant.

### **3.9 Certification Regarding Debarment**

The Grantee certifies, by signature to this Agreement, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement by any federal or State department or agency. If the Grantee is unable to certify any portion of this statement, the Grantee shall attach an explanation to this Agreement.

### **4.0 Illegal Influence**

The Grantee certifies, to the best of his or her knowledge and belief that:

- A. No federal appropriated funds have been paid nor will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan or cooperative agreement.
- B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this grant, the Grantee shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- C. The Grantee shall require that the language of this certification be included in the award documents for all grants or subcontracts and that all subrecipients shall certify and disclose accordingly.

The Grantor has relied upon this certification as a material representation. Submission of this certification is a prerequisite for entering into this Agreement imposed by 31 USC § 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Grantee certifies, to the best of his or her knowledge and belief that no state funds have been paid nor will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of any State agency, a member of the Legislature, or an employee of a member of the Legislature in

connection with the awarding of any state contract, the making of any state grant, the making of any state loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any state contract, grant, loan or cooperative agreement.

#### **4.1 Governing Law**

This Grant is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Grant are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Grant must be resolved in the Michigan Court of Claims. The Grantee consents to the venue in Ingham County and waives any objections, such as lack of personal jurisdiction or forum non-conveniens. The Grantee must appoint agents in Michigan to receive service of process.

#### **4.2 Compliance with Laws**

The Grantee must comply with all federal, state, and local laws, rules, and regulations.

#### **4.3 Disclosure of Litigation or Other Proceeding**

The Grantee must notify the Grantor within 14 business days of receiving notice of any litigation, investigation, arbitration, or other proceedings (collectively, "Proceeding") involving Grantee, a subgrantee, or an officer or director of Grantee or subgrantee, that arises during the term of the Grant, including (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Grantee's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (e) a Proceeding involving any license that Grantee is required to possess in order to perform under this Grant.

#### **4.4 Assignment**

Grantee may not assign this Grant to any other party without the prior approval of the Grantor. Upon notice to Grantee, the Grantor, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Grant to any other party. If the Grantor determines that a novation of the Grant to a third party is necessary, Grantee will agree to the novation, provide all necessary documentation and signatures, and continue to perform, with the third party, its obligations under the Grant.

#### **4.5 Entire Grant and Modification**

This Grant is the entire agreement and replaces all previous agreements between the parties for the Grant Activities. This Grant may not be amended except by a signed agreement between the parties.

#### **4.6 Grantee Relationship**

Grantee assumes all rights, obligations, and liabilities set forth in this Grant. Grantee, its employees, and agents will not be considered employees of the Grantor. No partnership or joint venture relationship is created by virtue of this Grant. Grantee, and not the Grantor, is responsible for the payment of wages, benefits, and taxes of Grantee's employees and any subgrantees. Prior performance does not modify Grantee's status as an independent Grantee.

#### **4.7 Dispute Resolution**

The parties will endeavor to resolve any Grant dispute in accordance with this provision. The dispute will be referred to the parties' respective Grant Administrators or Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved unless the dispute precludes performance. A dispute involving payment does not preclude performance.

Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is unlikely or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of the statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the State's right to terminate the Grant.

#### **4.8 Severability**

If any part of this Grant is held invalid or unenforceable by any court of competent jurisdiction, that part will be deemed deleted from this Grant, and the severed part will be replaced by agreed-upon language that achieves the same or similar objectives. The remaining Grant will continue in full force and effect.

#### **4.9 Waiver**

Failure to enforce any provision of this Grant will not constitute a waiver.

## 5.0 Signatories

The signatories warrant that they are empowered to enter into this Agreement and agree to be bound by it.

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Susan Corbin, Acting Director  
Executive Office  
Department of Labor and Economic Opportunity  
State of Michigan

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Date

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David Massaron  
Chief Financial Officer and Senior Vice President  
for Finance and Business Operations  
Wayne State University

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Date

GRANT NO. WSU-KCI

## **ATTACHMENT A**

### **GRANT ACTIVITIES**

#### **Wayne State University and Karmanos Cancer Institute Health Science and Cancer Research Center**

##### **The Vision**

The new Wayne State University and Karmanos Cancer Institute Health Science and Cancer Research Center highlights the strong relationship between two institutions committed to the advancement of research and academic excellence in health sciences and comprehensive cancer research. Both institutions are global leaders in their respective disciplines and this new facility will create a flexible, contemporary environment to facilitate research, education, and community engagement for future generations that acknowledges the unique benefit of being located within the City of Detroit with a diverse student and patient/research population that greatly enhances the use and outcomes of this partnership.

##### **Academic Spaces**

At the heart of Wayne State's mission is an emphasis on preparing a diverse student body to thrive and positively impact local and global communities. To that end, this facility will incorporate flexible teaching spaces that encourage and support interdisciplinary learning. Classroom environments will range in size from small and medium spaces that promote current and future learning modalities, to large lecture halls that incorporate a variety of pedagogical methods. Interactive lab environments will include simulation labs and opportunities for interprofessional experiences through student-led clinics that supplement existing community services. Audio-Visual infrastructure will be designed so that technology can be scalable to meet diverse academic needs throughout the life of the building.

Student study and collaboration spaces will be interspersed throughout the academic floors. These informal spaces outside the traditional classroom environment support interactions as well as build community among student cohorts. Spaces range from power bars and seating outside of classrooms and labs to small group meeting spaces and study lounges with flexible furnishings to promote student use of the building.

##### **Research Spaces**

A significant portion of the facility will be designed to support current and future research needs for both Wayne State University and the Karmanos Cancer Institute. Along with distinct spaces for each institution, the building will better utilize shared research cores, thereby reducing overall costs of equipment and services provided. Other core functions such as vivaria and imaging will be co-located to enhance access to services currently disparately located across campus. Consolidating and co-locating research functions in a new, contemporary-functioning environment will gain greater spatial efficiency and provide for research flexibility with a higher percentage of open

wet-lab workbench areas. Acknowledging the increasing amount of computational and population-based work occurring in the health sciences, the facility will contain dry lab configurations that support bioinformatic research. Laboratories, support spaces, and offices will be co-located to encourage interaction between students, faculty, and staff as well as support Wayne State's emphasis on increasing student research opportunities. Group collaboration areas and meeting spaces will be interspersed within research floors.

### **Building**

Wayne State and Karmanos Cancer Institute are currently engaged in programming activities to review existing space needs, identify efficiency opportunities, and develop plans for future growth. Based on this work, this facility is anticipated to exceed 250,000 gross square feet and will incorporate the functions described above with appropriate efficiency and growth factors applied. The new building will provide for sufficient infrastructure to support a high-level of research functions with MEP systems and other building services, and the technology to support state of the art learning and collaboration.

Given the urban campus environment in which the building will reside, careful consideration is being made to ensure appropriate building massing and density. In addition, the project is cognizant of the importance of access to nature and will work to incorporate outdoor spaces that engage faculty, staff, students, and the community. Community engagement is a key aspect of this facility and as such, gathering spaces required to support a variety of community programs, clinical functions, general gathering and meeting space will be included. Access to the building should be easy for students, faculty, staff, families and a wide range of the public including parking proximity, walking distance, ease of finding the front door, etc.

### **Sustainability**

The challenge for this project is to provide a superior academic and research facility that enhances the health sciences, equipped with building systems that decrease energy consumption and meet the University's sustainability goals. The project will be designed to meet a LEED Gold certification from the United States Green Building Council (USGBC). Throughout the design and construction process, Wayne State will review construction methods and building systems to control costs and reduce waste while attaining energy efficiency.

### **Site Analysis and Selection**

Wayne State is currently reviewing multiple sites to determine the most appropriate for this project. Further analysis is needed for each potential site that will consider existing infrastructure, access to a variety of mobility options, and visibility for each institution.

### **Use of Grant Funds**

The grant funds will be used to engage an architecture and engineering design team to develop full construction documentation, a construction manager to perform pre-

construction activities, and an owner's representative to act as a liaison for the Grantee through the completion of the project. Grant funds will be applied toward site preparation activities, including but not limited to ESA Phase II reporting, utility work, environmental remediation and mitigation, and other site preparation work. The size and complexity of a joint academic and wet lab research building, combined with current supply chain concerns necessitate pre-purchase of long lead time equipment such as boilers, chillers, elevators, electrical generators, custom steel superstructure, roofing system components, exterior glazing systems, etc. The remaining grant funds will be utilized to pre-purchase these materials and equipment to ensure timely construction and occupation of the new facility.

**ATTACHMENT B**

**PROJECT BUDGET**

<b>Total Grant Award</b>	<b>\$100,000,000</b>
Architect/Engineer Fee	\$20,000,000
Pre-Construction Activities	\$5,000,000
Owner's Representative	\$5,000,000
Site Preparation Activities	\$20,000,000
Pre-Purchase Long Lead Materials and Equipment	\$50,000,000

ATTACHMENT C

**DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET,  
VEHICLE AND TRAVEL SERVICES  
SCHEDULE OF TRAVEL RATES FOR CLASSIFIED AND UNCLASSIFIED EMPLOYEES  
Effective October 1, 2022**

**MICHIGAN SELECT CITIES\***

	Individual	Group Meeting (pre-arranged and approved)
Lodging**	\$85.00	
Breakfast	\$11.75	\$14.75
Lunch	\$11.75	\$14.75
Dinner	\$28.00	\$31.00

**MICHIGAN IN-STATE ALL OTHER**

	Individual	Group Meeting (pre-arranged and approved)
Lodging**	\$85.00	
Breakfast	\$9.75	\$12.75
Lunch	\$9.75	\$12.75
Dinner	\$22.00	\$25.00

Lodging	\$51.00
Breakfast	\$9.75
Lunch	\$9.75
Dinner	\$22.00

**Per Diem Total** \$92.50

**OUT-OF-STATE SELECT CITIES\***

	Individual	Group Meeting (pre-arranged and approved)
Lodging**	Contact Conlin Travel	
Breakfast	\$15.00	\$18.00
Lunch	\$15.00	\$18.00
Dinner	\$29.00	\$32.00

**OUT-OF-STATE ALL OTHER**

	Individual	Group Meeting (pre-arranged and approved)
Lodging**	Contact Conlin Travel	
Breakfast	\$11.75	\$14.75
Lunch	\$11.75	\$14.75
Dinner	\$27.00	
	\$30.00	
Lodging	\$51.00	
Breakfast	\$11.75	
Lunch	\$11.75	
Dinner	\$27.00	

**Per Diem Total** \$101.50

Incidental Costs Per Day (with overnight stay) \$5.00

<b>Mileage Rates</b>	<b>Current</b>
Premium Rate	\$0.625 per mile
Standard Rate	\$0.440 per mile

\* See Select Cities Listing

\*\* Lodging available at State rate, or call Conlin Travel at 877-654-2179 or [www.somtravel.com](http://www.somtravel.com)

## **ATTACHMENT D**

### **AMENDED AND RESTATED AFFILIATION AGREEMENT**

This Amended and Restated Affiliation Agreement ("Agreement") is signed this 19th day of September, 2014, to be effective as of October 1, 2014 (the "Effective Date"), by and between Wayne State University, a constitutional body corporate of the State of Michigan ("WSU"), and the Barbara Ann Karmanos Cancer Institute, formerly known as the Michigan Cancer Foundation, a Michigan nonprofit corporation ("KCI").

#### **BACKGROUND**

- A. WSU and the Michigan Cancer Foundation, the predecessor entity to KCI, were parties to that certain Affiliation Agreement dated as of June 27, 1994, as supplemented by that certain Memorandum of Understanding dated as of April, 2002. Those agreements were then superseded by that certain Amended and Restated Affiliation Agreement, which was entered between KCI and WSU on October 1, 2009 (collectively, the "Prior Agreement").
- B. WSU holds a National Cancer Institute ("NCI") Comprehensive Cancer Center Support Grant ("CCSG"), which is a 'Center' within WSU. KCI currently operates and manages for WSU the CCSG.
- C. WSU and KCI desire to amend and restate the Prior Agreement in order to:
  - (i) Promote their common goal of excellence in cancer research, education and clinical care;
  - (ii) Document the integrative nature of their partnership as two institutions linked in the pursuit of their common goals as described in subparagraph (i) above;
  - (iii) Continue their research collaboration;
  - (iv) Increase support of cancer research programs;
  - (v) Maximize the support for research from all sources;
  - (vi) Enhance the reputations of both WSU and KCI; and
  - (vii) Commit to a long-term partnership on the WSU campus in Detroit.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, WSU and KCI agree to restate and reaffirm their affiliation relationship on the terms and conditions set forth herein:

1. The role and responsibilities of the KCI Director. The parties believe that a continued collaboration between KCI and WSU benefits excellence in cancer research and education. This collaboration is coordinated by the KCI Director in his or her position within the Wayne State University School of Medicine. The Principal Investigator of the CCSG shall be known as the KCI Director and shall conduct programs in a manner that enables WSU to comply with the terms of the CCSG. The appointment and duties of the KCI Director are outlined below.

1.1 The KCI President will serve as the Comprehensive Cancer Center Director and Principal Investigator of the CCSG on behalf of Wayne State University. The KCI President shall be appointed and removed in accordance with Article IV, Section 2 of the Amended and Restated Bylaws of KCI, dated September 2014 (the "KCI Bylaws"). Article IV, Section 2 of the KCI Bylaws may not be modified or changed in the future without the consent of WSU during the term of this Agreement.

1.2 The KCI Director is responsible for the oversight, direction and coordination of all cancer-related programs and activities at KCI related to the CCSG. The KCI Director's responsibilities include but are not limited to strategic planning and evaluation, and providing direction for basic, clinical, population-based and community research programs involving cancer,

1.3 The KCI Director will encourage WSU faculty to work with investigators from the Josephine Ford Cancer Center of the Henry Ford Health System to enhance research efforts.

1.4 The KCI Director will serve as the Chair of the WSU Department of Oncology. In his/her capacity as Chair of the Department of Oncology, he/she will report to the Dean of the WSU School of Medicine. As soon as reasonably feasible and subject to the approval of its Board of Governors, WSU will take such measures as may be necessary to consolidate the WSU Department of Radiation Oncology and the WSU Division of Gynecologic Oncology as divisions within the Department of Oncology. Until such time as that consolidation has been achieved and effective not later than January 1, 2015, the Department of Radiation Oncology will have a dual reporting relationship to the Dean of the School of Medicine and the Chair of the Department of Oncology, and the Division of Gynecologic Oncology will have a dual reporting line to the Chair of the Department of Obstetrics and Gynecology and the Chair of the Department of Oncology.

1.5 Organizational Capabilities. The parties agree that to optimally support the Comprehensive Cancer Center, the institutional capabilities of WSU and KCI in cancer

research should be maximized by engaging in appropriate planning and evaluation. To that end:

1.5.1 External Advisory Board. The KCI Director will engage an External Advisory Board (EAB) whose charge is to review progress of the cancer center annually. This review will evaluate the cancer center with regard to metrics used in NIH cancer center reviews. The written review from the EAB is provided to the KCI Director, the WSU President or his or her designee.

1.5.2 Scientific Leadership Council. The Scientific Leadership Council meets regularly to review cancer center programs, shared resources, and membership. The SLC includes both senior and junior faculty from across WSU, as well as the Vice President for Research or his/her designee.

1.5.3 Clinical Leadership Council. The Clinical Leadership Council meets regularly to discuss clinical issues relevant to clinical research within KCI. Membership includes WSU clinical faculty, the multidisciplinary team leaders, the KCI President and the KCI Vice President for Medical Affairs, the President of KCC, the Chief Medical officer of Wayne State University Practice Group (WSUPG), and other key leaders responsible for clinical programs.

2. WSU's Commitment to Support a Portion of the KCI Director's Salary. WSU shall be responsible for \$200,000 of the KCI Director's annual salary, and he or she shall be eligible for benefits provided to WSU full-time employees. KCI shall be responsible for all other salary and benefits paid to the KCI Director. KCI will disclose the total compensation paid to the KCI President/Director to the President of WSU or his/her designee.

2.1 Any increases in salary may be made by either party in its discretion and at its expense, but neither party may bind the other to pay the other's share of such increase without its prior written consent. Each party may provide a bonus and related bonus criteria as determined in its sole discretion and at its sole expense. Each party shall conduct an annual performance evaluation of the KCI Director. The parties will exchange copies of the evaluations after they have been provided to the KCI Director.

3. KCI Research Activities. All funded research will be performed through WSU and all related grants and contracts of any research nature will be administered through WSU's Sponsored Research Administration. Pharmaceutical company sponsored trials contracted through KCI/KCC will continue to be contracted through KCI/KCC, and funds received by KCI/KCC will be transferred to WSU and expended through WSU's Sponsored Research Administration, The overhead that is allocated to and reimbursed to KCI/KCC by pharmaceutical companies for cost associated with clinical trials with

regard to such clinical trials will continue as currently. KCI/KCC will maintain data for all research in the proper format necessary to have such data qualify for reporting to the National Science Foundation ("NSF") on behalf of WSU, pursuant to its Survey of Research and Development Expenditures at Universities and Colleges.

4. Providing the framework for a shared vision for growth of cancer programs at WSU.

4.1. KCI primary faculty.

4.1.1 WSU currently provides to KCI approximately 40 full tenure lines. Those existing tenure lines are granted with the expectation that they can and will be employed as partial tenure lines to increase the number of investigators. Upon departure of a member of the faculty holding one of these tenure lines, the line will revert to KCI for a period of 18 months, during which it may be used for the recruitment of replacement faculty. If it is not utilized by KCI for that purpose within that time, and unless a hiring process is under way, the line and its accompanying support will revert to the Dean of the School of Medicine. All future tenure lines shall be designated by the WSU President or his/her designee in consultation with the KCI Director through the Department of Oncology or such other WSU department as WSU may believe best serves the needs of cancer research.

4.1.2 The foregoing is not intended to preclude any additional tenure lines that may be agreed upon by the parties from time to time as part of a strategic research initiative of the parties or in connection with the recruitment of a new KCI Director.

4.1.3 WSU faculty will not perform clinical services outside the current KCI/KCC service area, as specified in Attachment A, unless approved by the Dean of the School Of Medicine. KCI/KCC agrees that it will not retain or bring non-WSU faculty to serve as physicians into current KCC venues. Should KCI/KCC determine that it requires clinical services of a nature not then available among WSU faculty, KCI/KCC shall advise the Dean whom in cooperation with the Chair of the Department of Oncology will recruit an individual capable of providing such services. In the event that the Dean is unable or unwilling to recruit the required individual and after every attempt is made to do so including consultation with the President of WSU, KCI/KCC may recruit and hire such person.

4.2 KCI and KCC will coordinate with Wayne State University Physician Group (WSUPG), to the extent possible and not in conflict with applicable law and existing arrangements, in the provision of clinical ancillary services, including but not limited to pathology and other laboratory services, hospitalist services, and other supportive services.

4.3 Intellectual Property. All intellectual property deriving from the efforts of WSU faculty shall be governed by existing WSU policies as to patent and licensure. In

accordance with WSU policy as established by the Board of Governors, WSU has right of first refusal to patentable inventions that involve University support. Should KCI or KCC specifically fund a project that produces a patentable invention, KCI/KCC shall be entitled to a proportionate share not to exceed 50% of the "University" interest in net income, as specified in the WSU policy, of any income from such invention, KCI and WSU may from time to time enter into agreements pertaining to the sale or license of specific intellectual property. The foregoing is not intended to supersede any existing agreements in effect between the parties.

4.4 Annual Reporting. KCI and WSU jointly will make an annual financial report to both boards (WSU and KCI) detailing all funding sources from WSU and KCI including clinical revenues in support of KCI teaching and research programs and trends for the past fiscal year and projection for the next fiscal year.

5. Promoting excellence in cancer research, education and clinical care. Sustaining cancer programs requires financial obligations from WSU and KCI through a number of avenues.

#### 5.1. Department of Oncology

5.1.1 Departmental Share of Indirect Costs. The Department of Oncology will function as all other School of Medicine departments, and will receive its departmental share of indirect costs in accordance with WSU indirect cost policies as they may be amended from time to time.

5.1.2 Departmental Budget. The Chair of the Department of Oncology will balance the Departmental budget annually, as expected and required of all other Departments in the School of Medicine. KCI and WSU agree to pay off the outstanding indebtedness of the Department of Oncology to the Foundation for Medical Education (FMRE) estimated to be approximately' \$1.22M on an equal basis within a to be determined time frame as agreed upon by the parties, but not longer than one year from the Effective Date of this Agreement. The Department will maintain a contribution margin target, as defined by UPG, of no less than 16% annually beginning 24 months after Effective Date of this Agreement. In the event the Departmental budget is in deficit as of the end of any WSU fiscal year, and a part of the deficit is attributable to funds advanced to KCI or KCC, WSU may set off funds otherwise due to KCI under this Agreement on a dollar for dollar basis up to the amount of the unpaid funds. In the event that the Departmental budget is in deficit for three consecutive WSU fiscal years, WSU reserves the right to assume administrative control of the Department until such time as the budget is again in balance.

5.2 Institutional Support for Cancer Center Cores and Developmental Funding. WSU faculty and graduate students engaged in cancer research, regardless of

whether they are or are not primary WSU Department of Oncology faculty, have access to KCI's research cores under the usage guidelines for those cores and are eligible for developmental funds in support of cancer research through KCI's internal funding mechanisms. KCI commits to provide continued annual support of cores and developmental research funding for cancer programs, as provided for and approved within the CCSG. WSU commits to provide annual support of developmental research funding for cancer programs of \$1 ,000,000.

5.3 SEER Cost Share Obligations. NCI requires institutional cost sharing to retain a Surveillance, Epidemiology and End Results Program ("SEER") contract. This SEER contract enhances the reputation of WSU and provides the foundation for a strong program in cancer health disparities and population sciences. Of the budgeted expenses in the cost sharing budget, 100% is in support of registry operations and data analysis for WSU faculty. KCI and WSU will share in the SEER costs as follows: WSU 85%; and KCI 15%. The cost sharing budget will be developed to meet the requirements of the SEER contract and approved jointly by KCI and WSU.

5.4 KCI Commitment to Research. KCI maintains its commitment to research through use of hospital revenue and philanthropic funds in support of CCSG research programs and faculty. In addition, KCI agrees to provide up to \$2,000,000 through September 30, 2014, and not less than \$4,000,000 in annual support in subsequent years, for use in support of CCSG programs as determined by the KCI Director in consultation with the WSU President or his or her designee.

#### 5.5 Facilities.

5.5.1 The parties agree that appropriate and adequate physical facilities must be dedicated to the conduct of cancer-focused research of the Comprehensive Cancer Center. To that end, the KCI Director will have control, subject to generally applicable WSU policies, over allocation of research space in the following WSU-owned buildings: (a) the Prentis Building located at 110 E. Warren Avenue, until such time as KCI has relocated to replacement space; (b) the Hudson-Webber Cancer Research Building; and (c) other mutually agreed space. In addition, WSU will provide the KCI Director with appropriate space for the Cellular and Animal Imaging Core, the Genomics Core and the Proteomics Core Programs. WSU and KCI will work with one another to identify space as needed for growth of cancer programs.

5.5.2 KCI will not lease research space from any third party other than WSU or an approved faculty group of WSU without the prior approval of the WSU Vice President for Research or his/her designee. WSU will pay actual cost of space utilized for office, dry or wet labs, for research being conducted by WSU faculty on grants/contracts awarded to WSU where the research is being conducted in KCI owned space or in space leased by KCI from third parties other than WSU or a faculty group of

WSU. When such research is being conducted in KCI clinical space, where square footage associated with a given project is difficult to calculate, WSU will pay actual cost for use of a pro-rata share of that space consistent with the portion of the space utilized for research as opposed to the portion of the space utilized for clinical purposes.

5.5.3 The Vice President for Research of WSU or his or her designee and the Director of KCI will agree upon a neutral third party to determine or verify the actual cost of office, wet lab, or dry lab space. The third-party will review and if necessary revise such determination not less than quarterly.

## 6 Joint Branding.

The parties agree that all activities in which KCI and WSU jointly engage will be jointly branded from a public perspective (e.g., with regard to marketing, advertising and other promotional materials), as mutually agreed upon from time to time. WSU reserves the right to approve the form and display of its name, wordmark, and other identifying trademarks and symbols.

## 7. Term and Termination.

7.1 Term. The term of this Agreement shall begin on the Effective Date and shall continue in full force and effect for a term of three years, initially expiring September 30, 2017, and shall be automatically renewed at the end of each year for an additional year (e.g., on October 1, 2015, the term shall be extended for an additional year such that the term shall expire September 30, 2018). Notwithstanding the foregoing, upon the completion of the initial term, either party may terminate this Agreement by one year notice to the other party.

7.2 Termination. Notwithstanding the provisions of Section 7.1, this Agreement may be terminated as follows:

7.2.1. By mutual agreement of KCI and WSU;

7.2.2. Either party may terminate this Agreement for cause upon written notice to the other, provided that if such cause relates to any breach or default of any provision of this Agreement or the failure to perform any duty or obligation imposed upon a party hereunder, and such breach or default or failure to perform is of a type that can be cured, the non-breaching party will provide the breaching party with notice of such breach or default or failure to perform and the breaching party shall have a reasonable period of time to cure, provided that such period shall not be greater than six months.

8. Recordkeeping. KCI and WSU shall each maintain full and complete books, ledgers, journals, accounts, or records ("Records") pertaining to their respective financial obligations under this Agreement, including but not limited to the allocation, receipt, and distribution or disbursement of grant or contract funds. The Records shall be kept in accordance with generally accepted accounting principles and in accordance with all reporting requirements applicable to NCI-designated Comprehensive Cancer Centers. KCI and WSU shall each make such Records available to the other party for examination at their respective premises during normal business hours upon reasonable request. Each party shall have the right to access, examine and audit all Records relating to this Agreement.

9. Dispute Resolution.

9.1 Dispute Resolution Panel. Any dispute, claim, or issue arising out of or relating to this Agreement shall be submitted for resolution to a five-member panel consisting of the Chairperson of the KCI Board of Directors, the President of WSU, the President and CEO of McLaren Health Care Corporation, and two members, chosen by the other three members, who have no affiliation with KCI, McLaren or WSU. Subject to the provisions of Section 9.2, the decision of at least four of the five-member panel shall be final and binding upon the parties.

9.2 Final Resolution of Certain Disputes. In the resolution of any dispute, the following principles shall apply:

9.2.1 Only WSU shall have the authority to terminate an employee of WSU; provided, however, WSU shall not, without advising the KCI Director, terminate any employee whose salary is funded in whole or in part by KCI, except for good cause.

9.2.2 Similarly, KCI shall have final authority with regard to all personnel matters relating to employees of KCI. Only KCI shall have the authority to terminate an employee of KCI; provided, however, KCI shall not, without advising the President of WSU and the Dean of the WSU school or college in which the individual is employed, terminate any employee whose salary is funded in whole or in part by WSU.

9.2.3 Notwithstanding the provisions of Sections 9.2. 1, neither KCI nor WSU shall be bound by a decision of the other party to terminate the employment of an individual jointly employed by KCI and WSU (e.g., the non-terminating party may continue to employ the individual either on a part-time or full-time basis, or not at all, as the non-terminating party may determine).

Moreover, notwithstanding any provision in this Agreement to the contrary, if the non-terminating party continues to employ the terminated employee, the non-terminating party may pursue any source of funding supporting the terminated employee's salary without notice or further obligation to the other party.

10. Conduct of Research: Compliance with Law and Regulations. WSU and KCI shall conduct research activities and programs in accordance with this Agreement, generally accepted standards of good clinical practice, as applicable, and all applicable federal, state and local laws and regulations, including the Federal Policy for the Protection of Human Subjects ("the Common Rule"). Each shall abide by its respective research protocols, procedures and policies.

11. Notice. Notices required or permitted by this Agreement shall be in writing and shall be deemed given (i) immediately upon personal delivery, (ii) three days after being mailed by certified or registered mail, return receipt requested, or (iii) one business day after being sent by nationally recognized overnight courier. Notices given in any other manner shall be deemed given when actually received. Notices shall be addressed as follows:

If to KCI:

Barbara Ann Karmanos Cancer Institute  
4100 John R  
Detroit, MI 48201  
Attention: President and Chief Executive Officer

With a copy to:

KCI/KCC General Counsel

If to WSU:

Wayne State University  
4200 Faculty Administration Bldg.  
656 West Kirby  
Detroit, Michigan 48202  
Attention: President

With a copy to:

Wayne State University  
4249 Faculty Administration Bldg.  
656 W. Kirby  
Detroit, Michigan 48202  
Attention: Vice President and General Counsel

Either party may change the address to which notices to it are to be sent by giving notice in accordance with this Section 11.

12. Miscellaneous.

12.1. Binding Effect: Assignment. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective successors and permitted assigns. Neither party may assign this Agreement without the prior expressed written consent of the other party. KCI represents that it has full authority to bind both itself and Karmanos Cancer Center to of this Agreement. References to "KCI" and to "KCI/KCC" are deemed to include both Karmanos Cancer Institute and Karmanos Cancer Center.

12.2. Governing Law. The Agreement is governed by the laws by the State of Michigan.

12.3. Entire Agreement. This Agreement represents the full and complete understanding of the parties with respect to the subject matter hereof and supersedes any prior agreement or understanding between the parties, including the Prior Agreement. To the extent any provision of this Agreement conflicts with any provision of any other agreement between the parties, the terms of this Agreement shall prevail.

12.4. No Third-Party Beneficiaries. The provisions of this Agreement shall not inure to the benefit of, or be enforceable by, any person or entity other than the parties and any permitted successor or assign.

12.5. Amendment. This Agreement may not be modified or changed except by written amendment duly executed by both parties.

12.6. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

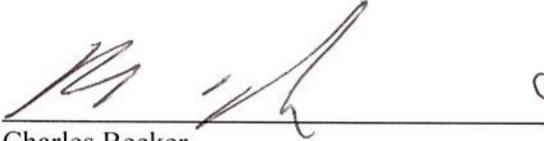
12.7. No liability. No liability or benefits, such as workers compensation, pension rights or liabilities, insurance rights or liabilities, arising out of an employer/employee relationship, shall arise, or accrue to either party or either party's agents, subcontractors, or employees, as a result of this Agreement, or its performance. No relationship, other than as set out in this Agreement, shall be implied between the parties or between either party and the other party's agent, employee, or subcontractor.

12.8. Waivers. No failure or delay by either party in the exercise of any right hereunder shall operate as a waiver thereof. Waiver of any default shall not waive any

other default. To be effective, each waiver of any right hereunder must be in writing and signed by the party waiving its right, and such waiver may be made subject to any conditions specified therein.

In witness whereof the parties have each caused this Agreement to be executed by the undersigned duly authorized officers as set forth below.

BARBARA ANN KARMANOS CANCER INSTITUTE

 9/19/2014

By: Charles Becker  
Its: Chairman of the Board of Directors  
Its: Chairman of the Board of Directors

WAYNE STATE UNIVERSITY

 9/19/2014  
M. Roy Wilson, M.D., M.S.  
Its: President

## Attachment A

<sup>6</sup>The current service area of KCI/KCC, as defined in the Cancer Center Core grant, is the four county area that includes Wayne, Oakland, Macomb, and Monroe."